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U.S. HOUSE OF REPRESENTATIVES

REPORT CARD ON THE SOCIAL SECURITY ADMINISTRATION

MAY 20, 1991

Prepared for the use of Members of the Committee on Ways and Means by members of its staff. This document has not been officially approved by the Committee and may not reflect the views of its Members

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COMMITTEE ON WAYS AND MEANS
U.S. HOUSE OF REPRESENTATIVES

ONE HUNDRED SECOND CONGRESS

DAN ROSTENKOWSKI, ILLINOIS, *Chairman*

ROBERT J. LEONARD, *Chief Counsel and Staff Director*

This document was prepared by the majority staff of the Committee on Ways and Means and is issued under the authority of Chairman Dan Rostenkowski. This document has not been reviewed or officially approved by the Members of the Committee.

CONTENTS

	Page
Introduction	1
Summary	2
Background	5
I. Social Security Benefits	6
A. Retirement Benefits	7
B. Disability Benefits	10
II. Worker Accounts	14
A. Social Security Numbers	15
B. Earnings Records	16
III. Access to the Agency	18
A. Teleservice	19
B. Waiting Times	21
Recommendations	23
Appendix: Results of the Survey of Members of Congress	25

INTRODUCTION

Of all the agencies of the Federal government, none exerts a more direct and personal influence on the lives of Americans than the Social Security Administration (SSA). Today more than 40 million retired and disabled individuals and their families depend on SSA for accurate and timely payment of monthly benefits. Another 132 million working Americans rely on the agency to record their earnings accurately so that they will qualify for benefits in the event of disability or retirement. How well is the agency accomplishing these tasks? How satisfied are the Social Security beneficiaries who contact SSA? How confident should working Americans be that SSA is keeping accurate wage records so as to ensure their future eligibility for benefits?

To address these questions, we have evaluated SSA's performance and, based on our findings, we are issuing a "report card" on SSA. This report card is part of a major oversight initiative by the Committee which focuses on managerial efficiency and programmatic effectiveness of the programs within its jurisdiction. In conducting the SSA evaluation, we drew on three informational sources: SSA's own studies; analyses by the General Accounting Office, the investigative arm of Congress; and our own survey of the Members of the U.S. House of Representatives. Because Members of Congress frequently assist their constituents in seeking Social Security benefits, they are uniquely positioned to identify the areas of service that are critical to the needs of Social Security applicants and beneficiaries. In responding to the survey, many Members' offices cited specific examples that illustrate SSA's strengths and weaknesses in these critical areas. For illustrative purposes, some of these examples are included in the following pages. The report also includes, under the heading "Self-Help", suggestions for workers, applicants, and beneficiaries for insuring they receive the best service possible from the agency.

The report contains specific recommendations for improving the agency's performance. In the future, we will review the extent to which the report's recommendations have been implemented and conduct similar reviews to determine both the efficacy of the reforms implemented and whether other problems have arisen.

Andy Jacobs, Jr.
Chairman
Subcommittee on
Social Security

Dan Rostenkowski
Chairman

SUMMARY

Overview: The Social Security Administration (SSA) earned an overall grade of above average for its service to the public during 1990 but received poor marks in several critical areas.

In implementing the routine tasks that Americans most frequently call on it to perform -- i.e., issuing social security numbers and processing applications for retirement benefits -- SSA serves the public exceptionally well. Payment accuracy for initial retirement claims exceeds 99 percent, and retirement benefit processing times are short and decreasing. In addition, SSA's administrative expenses continue to be low. In 1990, these expenses equalled only one percent of benefits.

However, SSA's performance of several critical but less routine tasks is declining, causing the public inconvenience and, in some cases, significant hardship. The most severe problems are in service to disabled Americans. During 1990, SSA processing times for applications for disability benefits increased; backlogs of applications rose dramatically; and the rate of reversal of SSA decisions on appeal climbed to nearly two-thirds, or 63 percent. The financial and psychological hardship that this situation is causing disabled Americans is reflected in a set of profiles of actual claimants from our survey of Members of Congress.

In addition, several SSA policies are restricting public access to agency information and staff. Specifically, waiting times in local offices are increasing, callers to SSA's toll-free 800 number are receiving significantly greater amounts of incorrect information, and the public's telephone access to SSA's local offices continues to be restricted by SSA policies. As a result, individuals who approach SSA with a nonroutine question or request -- e.g., help in interpreting an agency notice, a question about the Social Security earnings test, or adjustment of an incorrect benefit payment -- find it more difficult to obtain information and elicit agency action.

The Report Card: This evaluation of SSA service focuses on six key areas -- retirement benefits, disability benefits, Social Security numbers, worker earnings records, office waiting times, and telephone service. SSA's performance in each area is graded as follows:

* Retirement Benefits --- A-
  SSA continues to provide excellent service to retiring workers. In 1990, an applicant for retirement benefits could receive a decision on his or her application in as little as two weeks (two-thirds of the time it took in 1984); and a retiree could be more than 99 percent confident that his or

her benefit check was in the correct amount. Anecdotal evidence, however, suggests that SSA performs less well when a retiree's benefits must be adjusted in response to a change in circumstances (e.g., return to work, divorce, marriage, or death). At the Committee's request, the General Accounting Office has begun a special evaluation of the timeliness of SSA's service in these areas.

* Office Waiting Times — B-
Office waiting times averaged 21 minutes during 1990, a ten percent increase over 1989. Moreover, peak waiting times in urban areas continue to exceed one hour.

* Issuance of Social Security Numbers — A-
The time that SSA requires to issue Social Security numbers continues to decline. Compared to the 40-plus days it took to issue a number five years ago, SSA now routinely issues numbers in ten days. (However, some issuances can take up to six weeks).

* Disability Benefits — F
An average applicant must wait three months for an initial decision on the eligibility for disability benefits, and those who appeal a denial have to wait a full year. Moreover, nearly two-thirds (63 percent) of the SSA initial denials that are appealed by claimants are reversed after a hearing before an independent appeals judge. Congressional offices described the consequences of this decline in service in graphic detail: some qualified claimants are forced onto public assistance: others attempt suicide; others lose their homes or property; and still others are forced to go without medical treatment.

* Earnings Records — B- and improving
SSA has made substantial progress in crediting a large backlog of employer wage reports to affected workers' accounts. As a result, the agency's backlog of uncredited wages for 1978-84 has been reduced from $58 billion to $36 billion. With these improvements, the chances that a worker will have an error in his or her earnings record upon retirement are approximately seven out of 100. Of these seven errors, nearly five (70 percent) will affect the worker's benefit if not corrected. This indicates that, in any given year, as many as 73,000 retiring workers may receive incorrect benefits as a result of earnings record errors.

* Teleservice — C-
Busy rates on SSA's national toll-free number continue to exceed 50 percent on peak days, and the accuracy of the information provided via teleservice declined by 17 percent

during 1990. Specifically, three out of 100 callers (about 170,000 callers per month) received incorrect information that had a potential adverse effect on benefits; and an additional seven callers out of 100 (about 430,000 callers per month) received incorrect information that caused them to be inconvenienced and/or created additional work for the agency. One-third of the offices responding to the survey of Members of Congress (34 percent) indicated that they continue to receive large numbers of complaints about SSA teleservice. High busy rates and inaccurate information were the most frequent focus of these constituent complaints.

BACKGROUND

Most Americans have personal contact with the Social Security Administration (SSA) only twice in their lives, when they apply for a Social Security number and when they apply for retirement benefits.

As a result, few people recognize that SSA works as one of the world's largest insurance agencies. It records wages, processes benefit applications, and pays benefits to millions of people each month.

Although the job of administering the Social Security program is an enormous one, SSA has long been recognized as an exemplary agency. The employees are considered hard-working and compassionate, and the agency has been known for its ability to provide individual attention to the public it serves.

Today, SSA operates 1,300 field offices which extend from Maine to Guam. In addition, the agency includes a headquarters located in Baltimore, Maryland, ten regional offices, six program service centers, and 37 teleservice centers. SSA also oversees and funds 54 State disability determination services (DDSs), managed and staffed by State employees. These agencies are responsible for making initial decisions on the disabled status of applicants for Social Security disability benefits.

During the late 1980's, the agency underwent severe reductions in both its staff and its administrative budget. SSA now employees 63,000 full-time workers -- 21 percent fewer workers than it employed in 1984. The agency's requested budget for fiscal year 1992 is $4.5 billion. In inflation-adjusted dollars, that is 16 percent less than in 1985. While public satisfaction with the agency generally remains high despite this reduction in resources, service to the public in many areas has deteriorated.

I. SOCIAL SECURITY BENEFITS

The Social Security Administration's (SSA) best and worst performance occurs in its administration of its two principal benefit programs -- retirement and disability. In the retirement program, SSA wins high marks for its timely and accurate processing of applications, computation of benefits, and authorization of payments. By contrast, in the disability program, SSA eligibility determinations are lengthy and frequently delayed (currently it takes three months for an initial decision and one year for an appeal); and agency denials are reversed on appeal in nearly two out of three cases.

The sharp contrast in SSA's performance in these two areas results in part from a difference in their inherent complexity and in part from weaknesses in the agency's procedures for assessing disability. In terms of complexity, retirement eligibility hinges on factors such as age, family relationship, and number of work credits. These factors are well-suited to the step-by-step, formula-like procedures that SSA employs increasingly in making and implementing decisions. In the disability program, by contrast, eligibility determinations frequently require evaluation of complex medical and psychological data. Yet here too SSA uses a formula-like approach that clericalizes the task of disability assessment, reducing it to a series of yes-no questions.

The weaknesses of this approach in assessing disability become evident if one compares what is supposed to happen in a disability determination with what happens in practice. In principle, SSA is required to evaluate each claimant individually to determine whether his condition meets statutory requirements. Specifically, claimants must be unable to work because they are totally disabled -- that is, they must suffer from a physical or mental impairment that, considering their age, education, and work experience, prevents them from engaging in any type of substantial gainful activity that exists in the national economy.

In practice, SSA takes a number of simplifying shortcuts in making this determination. First, it contracts with the 50 States to conduct disability determinations on its behalf. While this arrangement allows SSA to draw on the expertise of State disability experts, it also introduces an element of regional variation into its assessments.

Second, in making initial decisions and conducting reconsiderations (the first level of appeal), SSA relies extensively on paper evidence that claimants and their physicians submit to

it. There is no face-to-face meeting between a claimant and a disability examiner, and the examiner's efforts to collect or develop additional evidence of disability are extremely limited.

Third, in evaluating the submitted evidence, SSA compares a claimant's impairment with a list of allowable impairments. When it meets or equals a listed impairment, SSA finds the claimant disabled. When it does not, SSA assesses the claimant's "residual functional capacity" (RFC). The first part of this procedure, reliance on a list of disabilities, can result in incorrect denials of claimants who are severely disabled by a rare impairment, an undiagnosed impairment, or a combination of impairments. The second part, assessment of RFC, focuses principally on physical strength. As a result, it fails to measure adequately other disabling functional limitations -- e.g., inability to concentrate, to analyze and evaluate, or to sustain performance of a task over time.

These simplified procedures differ significantly from those employed by the Administrative Law Judges (ALJs) who conduct the second level of appeal after the initial decision and reconsideration by the agency. At these hearings, ALJs, with decisional independence, meet with claimants face-to-face, gather additional evidence of disability when needed, and are bound only by Federal law and SSA regulations -- not by the formula-like instructions that SSA has developed for its State disability examiners. In this setting, nearly two-thirds of denied claimants who appeal are found to meet the statutory definition of disability. The severe financial and psychological hardship that SSA's simplified approach to initial decision-making creates for disabled claimants and their families is illustrated graphically by a set of case examples from the Congressional survey (see section B).

A. Retirement Benefits

To most Americans, Social Security means retirement benefits. Of the current beneficiary population, approximately 90 percent, or 36 million individuals, are retired workers and their families. As most people know, workers become eligible for full benefits when they reach 65. Workers may also retire early (age 62-64) and receive a reduced benefit. Conversely, individuals who continue to work between the ages of 65 and 70 will receive a higher benefit when they finally retire.

Retired beneficiaries receive Social Security coverage for the members of their immediate family. Eligibility for benefits based on an individual's work record extends to:

* a wife or husband who is at least 62 years old;

* a wife or husband who is under age 62 and caring for a young (under age 16) or disabled child;

* a former wife or husband who is at least 62 years old, where the marriage lasted at least ten years;

* children under age 18 (and those under age 19 who are still attending high school); and

* disabled children of any age.

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1. If you apply for retirement benefits, how long will it take to receive your first check?

Depending on the time of month that you apply, you could receive it in as little as six weeks. However, SSA encourages people to apply for benefits three months prior to retirement. This helps ensure that you receive your first benefit check at the beginning of the first month after you stop working.

SSA has improved its processing times for retirement benefits in recent years. In 1988, the agency required an average of 20 days to approve or deny a claim. Today this number has dropped by 20 percent, to 16 days. (After the claim is approved, SSA requires an additional two weeks for payment processing; and the Treasury requires yet another two weeks to program its computers to pay a benefit.)

Self-Help

You can apply for benefits at any Social Security office or by calling SSA on their toll-free number. You will need: your Social Security number, your birth certificate, and your W-2 form(s) or self-employment tax return from the past year. If you apply for benefits for family members, you will also need their birth certificates and Social Security numbers.

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2. How confident can you be that SSA will figure your benefit correctly?

SSA's capacity to compute your retirement benefit accurately is excellent. Its quality control systems indicate that accuracy rates exceed 99 percent.

A second, more significant source of risk is an error in an employer report of wages. The chances that an individual will have an error in his or her earnings record that will affect his or her benefit are about five out of 100. (See section II.)

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3. If you are receiving retirement benefits and your personal circumstances change in a way that affects your eligibility or benefit amount (e.g., marriage, divorce, return to work, or death of a spouse), how quickly and accurately will SSA make the needed adjustment?

You may have reason to be concerned.

Information about SSA's processing of such changes is incomplete. In terms of accuracy, the best available data comes from a 1989 General Accounting Office (GAO) review of SSA's quality control statistics. These statistics show an average accuracy rate of 97 percent for the processing of these changes. In terms of promptness, this same data shows that a change is typically processed in five to six days. However, this average applied to only four types of actions: changes of address, processing of death notices, processing of notices that a beneficiary returned to work, and student benefit actions.

Anecdotal evidence suggests that the time SSA requires to make adjustments in retirees' benefits is increasing. To address this question, GAO has been asked to undertake a special evaluation of the timeliness of SSA's service to retired beneficiaries. This study will determine:

* the probability that new retirees receive their first retirement check in the first month in which they are entitled to benefits;

* when a worker dies, how soon the surviving spouse has his or her benefit adjusted;

* how long it takes SSA to process changes in earnings records; and

* if a death, marriage, divorce or change of address is reported, how quickly will SSA reflect this change in the benefit check.

B. Disability

1. If you apply for disability benefits, how long will you wait for your first check?

According to SSA, you will wait three months. But if you appeal, on average you will wait a full year.

On average it takes SSA nearly three months to process an initial claim for benefits and an additional two months to process a reconsideration review of the initial decision. It takes another seven months on average for a review by an Administrative Law Judge (ALJ).

Members of Congress reported that their constituents experienced significantly higher processing times than these averages. Thirteen percent of the Congressional survey respondents reported average processing times of two months; 38 percent reported three months; 19 percent reported four months; and 27 percent reported longer than four months.

One Member's office stated the following:

> "The complaint we hear most is the length of time it takes to establish a Social Security disability claim. From the time a person first applies for disability benefits until they receive the first check is nine months to one year.
>
> The constituents who come to this office are people who can least afford to wait one year for some financial assistance. When I have to tell them how long it will be before they receive their first check, they are shocked and very upset. The next question is what will I do and how will I live until I get benefits, if I ever do get benefits? Most of these people have already been to the Welfare Office and have been denied help. Is there any way that this time of waiting can be reduced?"

Another Member's office commented:

> "Another problem is the length of the appeals process for disability. One gentleman waited three months to get an initial denial, four months for reconsideration, five months to get a date for a hearing and another five months waiting for the decision to be typed. This man had already had two strokes and was unable to get medical treatment for a suspected third because of a lack of funds. They

almost lost their home because of the time involved. A simple solution would be to get the judges better support staff."

An additional comment:

"Many constituents have voiced the opinion that Social Security is just waiting for them to die so that benefits do not have to be issued."

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2. If you apply for disability benefits, what is the chance that you will be incorrectly denied?

The best existing evidence suggests that the probability is high. Independent appeals judges reverse two out of three of the cases that are appealed to them after an initial denial of benefits and reconsideration by SSA.

This means that last year over 171,000 people were denied benefits by SSA in the first instance, but after a long delay were awarded benefits by an ALJ.

This reversal rate has increased steadily since 1986 when approximately 50 percent of the denials were reversed. GAO cites two reasons for the increase in incorrect initial denials. First, heavy workloads are putting stress on the State disability examiners who make SSA's initial decisions. During the period from 1986 to 1990, there was a ten percent increase in the number of disability cases processed, and a 16 percent decrease in State agency staff.

Second, until disability applicants reach the hearing level in their appeal, no one sees them in person. Up to this time, the disability examiners see them only as they are represented by papers in a file folder. Moreover, because the quality of case development has declined in recent years, crucial medical evidence is sometimes missing from the case folder -- information which might would have resulted in a favorable decision at an earlier level.

Incorrect denials place extra stress on individuals because they are forced to do without income to which they are entitled during a period when their medical expenses are high and their earning capacity is low or non-existent. Congressional offices have reported incidences where constituents have become suicidal waiting to be approved for disability benefits.

One Member's office provided the following example of an obviously disabled person who had been denied benefits twice:

A woman had not worked since February, 1990, and was waiting for a heart transplant. Only one-fourth of her heart was functional, and she had a cardiomyopathy with class IV congestive heart failure. Three heart doctors had said she could not return to work. Her request for a hearing was received in October, 1990. She was very distressed about having to go to a hearing and couldn't understand why she kept getting denied. The ALJ reviewed the evidence and spoke to her doctors. He issued a favorable decision in November, 1990, based upon the medical evidence in her file and without having a hearing. If the State agency had done a thorough review of her case, she would not have had to obtain an attorney (which she did after she was denied) and go through the stress of pursuing her claim.

One office provided three constituent examples:

"Disability claims that to an outsider would seem to be obvious are being denied at the initial level and upon reconsideration."

One constituent is awaiting a donor heart for a heart transplant. She cannot even drive to the grocery store, yet is now awaiting a hearing before an ALJ to determine if she is disabled.

A second is a terminal cancer patient. She had a hearing before an ALJ on 12/12/90 and as of 3/22/91, she is still waiting for the decision in her case. Her cancer has spread throughout her entire body including a brain tumor that has caused her to go blind.

Finally, a third constituent telephoned to say her husband had been hospitalized and wanted to know if the ALJ had allowed his case before he died. The office called the ALJ, and found out that the claim had been allowed. The constituent had been waiting six months for the decision. He died two days later.

A graphic illustration was provided by another Member's office:

"Many cases for disability benefits could be reviewed in a more timely fashion. Case in point: a constituent who fell 30 feet to the ground and was

then crushed by 2,000 pounds of steel. Initial medical reports are clear on the severity of his injuries and that he will be unable to work for a long time. However, delays occur while waiting for additional medical reports."

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3. What types of disabled people are most frequently granted benefits on appeal?

A 1989 GAO study of the high rate of reversal of SSA denials pointed to particular problems with agency assessments of the following ailments:

--Asthma (age 60 and over) 96 percent of those denied are granted benefits on appeal

--Emphysema (age 60 and over) 89 percent

--Spinal Disc Injuries (age 60 and over) 82 percent

--Post Heart Attack (age 55 to 59) 82 percent

--Chronic Ischemic Heart Disease (age 55 and over) 81 percent

Furthermore, GAO found that appeal reversals are more likely in cases where a claimant's ailment does not meet or equal any disability in SSA's listings and the agency must therefore access his or her residual functional capacity. Specifically, GAO reviewed 105 ALJ decisions (both allowances and denials) and determined that the ALJs nearly always decided that applicants were more restricted in their activities. When questioned by GAO, some ALJs said that they considered SSA's initial assessments of RFC to be unrealistic, especially in cases of workers over the age of 55.

43-047 O - 91 - 2

II. WORKER ACCOUNTS

The Social Security Administration's (SSA) record is mixed with respect to establishing and maintaining Social Security accounts for America's 132 million workers and their dependents. SSA scores high marks for the timely issuance of Social Security numbers. However, the agency does less well in assuring that each worker's wages are accurately recorded.

In recent years, SSA has steadily reduced the time required to issue a Social Security number. In 1990 the average time for issuance was one-fourth of what it was in 1985. This has occurred even in the face of increased demand for new numbers resulting from a requirement that taxpayers include their children's Social Security numbers on tax returns.

SSA's performance in accurately recording workers' wages has been very good in some areas and poor in others. While SSA has historically done a very good job of recording those wages that are correctly reported by employers, SSA is less effective at sorting out inaccurate or incomplete employer reports of wages. Accurate reporting of earnings is important because the failure to credit earnings to a worker's account can affect eligibility for benefits or cause benefits to be underpaid.

Each year employers send more than 200 million employee earnings reports to SSA. The agency does a good job of crediting correct employer reports to the right account and in the correct amount. Often, however, these reports contain incorrect or incomplete information. For example, the worker's name or Social Security number may be inaccurately reported or the wage report sent to SSA for purposes of crediting wages to the employee's Social Security account may differ from wage information reported by the employer to the Internal Revenue Service (IRS) for purposes of paying Social Security payroll taxes. All of these errors leave SSA uncertain as to which employee wage record to credit or how much to credit.

In 1987, the General Accounting Office (GAO) estimated that SSA had failed to resolve discrepancies in wages for about 9.7 million workers for the years 1978 through 1984. This resulted in about $58 billion in earnings remaining uncredited to workers' accounts.

Over the next several years, the Committee on Ways and Means encouraged SSA to work with the IRS to resolve the discrepancies in wage reports and to reduce the backlog of uncredited wages. This resulted in a Memorandum of Understanding between SSA and the IRS as to the responsibilities of each agency to resolve these discrepancies.

In 1991, GAO reported that the backlog of uncredited earnings records for 1978-1984 had dropped to $36 billion. GAO also reported, however, that the 1985-1988 backlog was $54 billion. While SSA's record is improving, it has some distance to go before workers can feel completely confident that their wages have been correctly recorded and they are receiving the benefits to which they are entitled.

A. Social Security Numbers

1. Once you apply for a Social Security number for yourself or your child, how quickly does SSA issue the card?

According to SSA you will probably receive a Social Security card in ten days to six weeks.

Self-Help

If you wish to apply for a number for yourself or a child, you should call SSA's toll-free number. They will send you an application form. You should return it to the agency with the documents requested.

Many hospitals now afford you the opportunity to apply for a Social Security number for your child at birth. If you fill out the form within a day or two after the baby's birth, the hospital will file it for you. SSA will mail you the new number. While you may find this procedure convenient, you should be aware that you may wait for the new number for as little as a few weeks or as long as six months, depending on the efficiency of your State vital records agency.

If you change your name, you should notify SSA as soon as possible. This will help to ensure that your correct name continues to be affiliated with your Social Security number and thus that your account receives credit for all the wages you earn. You will need to have documents which contain both your old and new names. Examples include a marriage certificate, a divorce decree or a court order that changes your name.

B. Earnings Records

1. How likely is it that SSA is keeping an accurate record of your wages so that you will receive the benefits to which you are entitled?

There is a seven percent chance that your wage record will be wrong. If you work in an area such as agriculture, the chance that your wage record will be wrong could be as high as 20 percent.

The best existing evidence suggests that seventy percent of wage record errors will affect the amount of an individual's Social Security benefit. Applying this error rate to the 1.6 million people who filed for retirement benefits in 1989, 73,000 new retirees that year had incorrect earnings records which affected the amount of benefits they received.

According to GAO, employers who are most likely to file incomplete earnings reports include those engaged in the agriculture or forestry industries, automotive dealers, operators of automotive service stations and garages, household employers with one or two domestic employees, fraternal or religious organizations, unions and volunteer fire departments.

Self-Help

To assure that your earnings record is correct, you should ask for a Personal Earnings and Benefit Estimate Statement (PEBES) from SSA. The PEBES is a statement of your lifetime earnings history. This record will show you the yearly earnings that SSA has recorded to your account and the number of credits you have earned toward being insured for benefits.

By requesting a PEBES statement every year or two, you can spot possible discrepancies in your earnings record in time to correct the error during the legal time period (in general three years, three months, and 15 days after the year in which the earnings occurred).

If you find that your earnings have not been correctly credited to your account, you can submit proof of your earnings to SSA. Proof of earnings can include a W-2, pay slips, or a statement signed by your employer.

If you have not retained the necessary information, you can request it from the IRS. IRS retains tax records for the past ten years.

If you wish to receive a PEBES statement from SSA, you can request an application for such a statement by calling SSA's toll-free number or by stopping by your local Social Security office.

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2. If you request a statement of earnings and benefits from SSA how quickly will you receive it?

You will probably receive your statement within two to six weeks.

III. ACCESS TO THE AGENCY

In recent years, the Social Security Administration (SSA) has attempted to restructure radically the ways in which the public gains access to its information and personnel. The thrust of these changes has been to centralize the channels for public access to the agency by: (1) establishing a national toll-free telephone number, (2) restricting the public's telephone access to its local offices (i.e., removing public telephone lines and eliminating local office telephone listings); and (3) earmarking a large portion of the agency's local office staff time for taking pre-arranged benefit claims by telephone.

This restructuring has produced mixed results which are a focus of continuing controversy. On the positive side, a centralized telephone intake system has given all Americans access to SSA without incurring long distance charges. Moreover, the option of filing a teleclaim has enabled individuals to apply for benefits from the convenience of their home or office. At the same time, however, these changes have placed new restrictions on public access to SSA. First, the termination of local office telephone service has fueled continuing high busy rates on the 800 number, making it impossible at times to reach the agency at all. Second, many users of the 800 number have received inaccurate or incomplete information. This problem stems in part from high turnover among telephone answering staff and in part from their limited training in SSA programs and regulations. Third, these changes have restricted the public's access to SSA's local office staff, both by preventing the public from calling local offices directly and by restricting the capacity of local offices to serve individuals who visit the office without an advance appointment.

Critics point out that these changes have produced the greatest hardship for SSA's most vulnerable claimants and beneficiaries – those who lack the sophistication, language skills, or mental acuity to conduct business by telephone or to plan their activities well in advance.

The extent of these problems was reflected in the survey of Members of Congress. One-third of the Congressional offices responding to the survey (34 percent) indicated that they continue to receive large numbers of complaints about SSA teleservice. High busy rates and inaccurate information were the most frequent focus of these constituent complaints.

A. Teleservice

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1. If you call SSA's 800-number, how likely are you to get a busy signal?

If you call on a high-volume day, there is over a 50 percent chance you will get a busy signal. By calling during non-peak times, you will reduce your chance of getting a busy signal to 13 percent.

The busy signal problem was rated as extremely serious by 39 percent of offices responding to the Congressional survey. Thirty-four percent indicated that they were receiving a large number of complaints. Another 41 percent said they were receiving a moderate number of complaints, and 22 percent indicated they were receiving a small amount of complaints.

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2. If you have a question about your benefits or your eligibility for benefits, how likely is it that you will receive incorrect information if you call SSA's toll-free number?

You have about a three percent chance of getting an answer that could negatively effect your eligibility for benefits or the payment of your benefits.

Applying this percentage to the number of calls placed to the 800 number in September, 1990, over 170,000 callers received incorrect information which could adversely affect their benefits or eligibility for benefits.

An example of subjects which frequently resulted in incorrect responses include: the effect of re-marriage on widows' benefits, duration-of-marriage requirements for divorced spouses, receipt of a lump-sum death payment, and the payment of a retirement benefit while continuing to work.

When Members of Congress were asked to rate the seriousness of the problem of inaccurate information, 33 percent rated it as extremely serious.

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3. What is the probability that you will receive information that will cause you to be inconvenienced?

You have a seven percent chance of receiving an incorrect answer that will cause you to be inconvenienced or result in more work for SSA.

Applying this percentage to the number of telephone responses in September, 1990, about 434,000 callers may have received information which caused them to be inconvenienced.

Frequently, callers are not informed of all the service options available and are therefore unable to request the option they prefer. For callers who request information on applying for a Social Security number, the teleservice operators often fail to mention that they will need proof of identification and fail to describe what constitutes the required proof of identification. As a result, an application may be filed without the proper documentation and issuance of the social security card may be delayed.

One Congressional office had the following observation:

> "While the 800 number is a good concept, the individuals manning the phones are undertrained to answer specific questions regarding an individual's account. The result – more work is created for the District Offices because the operator either confused or frustrated the caller. In an attempt to make some sense of their situation, they visit or call the local office.
>
> For example: One constituent who applied for disability benefits called the 800 number to request a reconsideration of the SSA denial of the claim. They were told that their request would be entered into the computer and they would have an additional 60 days to complete the required documents. The constituent was also told to indicate a code number in the upper right-hand corner of each document. The constituent complied and all paperwork was completed. The constituent waited for a reply from the SSA which never came. They never received a reconsideration decision and subsequently the claim was rejected by an ALJ for untimely filing. The constituent has since filed a new original claim."

In this case, the teleservice operator had apparently misinformed the caller by failing to explain that an appeal must be filed in writing within 60 days of receipt of the notice.

4. If the teleservice operator tells you that a representative of your local Social Security office will call you back, what is the likelihood that you will receive the promised call-back?

The best evidence suggests that you have just over a 50 percent chance of getting a call-back.

A study released by GAO in July, 1990, reported that, of those callers expecting a call-back from their local Social Security office regarding a question about their benefits, 42 percent received no return call.

Of those callers expecting a call-back from a local office to take an application for benefits or to make an appointment to take an application, 24 percent received no call.

B. Waiting Times

1. If you visit a local Social Security office, how long will you have to wait to see an interviewer?

On average you will wait about 20 minutes. However, if you visit an urban office early in the day without an appointment, you may wait well over an hour.

How long you wait will depend upon where you live, the time of day you visit the office and whether or not you have a prearranged appointment. Generally, you will wait longest at Social Security offices in urban areas and you will wait longer if you arrive without an appointment.

For example, if you live in an urban area and visit your local Social Security office without a prearranged appointment, on average you will wait 31 minutes. On the other hand, if you live in a rural or suburban area and visit your local Social Security office without an appointment, you wait less than 20 minutes on average.

Time of day will also make a difference in how long you will have to wait. In general, you will wait longer in the morning. If you arrive in an urban office without an appointment early in the day, you will have to wait on average 36 minutes. If you arrive in the same urban office late in the day, you will have to wait on average 16 minutes.

Finally, waits are longer if you visit an office early in the month or early in the week.

Self-Help

If you need to visit the local Social Security office, you should do the following to minimize the length of time you will have to wait:

1. Call ahead to make an appointment and find out in advance what documents you will need.

2. Plan to visit the office after the first week of the month and later in the week.

3. If you visit an office with a time-sensitive request (such as a time-limited notice from the agency or a lost or stolen check) a new law requires that an SSA employee interview you that same day.

RECOMMENDATIONS

The Social Security Administration's (SSA) strong performance in administering the retirement program and issuing Social Security numbers wins it high marks for accuracy and efficiency in serving the American public. Moreover, a number of recent systems and management reforms are yielding significant improvements in the agency's crediting of wages to worker accounts. At the same time, SSA's performance of two critical tasks -- assessing disabled workers' claims for benefits and providing the public with access to its information and staff -- is declining, causing the public inconvenience and, in some cases, severe hardship. We urge SSA to address these problems by taking the following actions.

First, SSA must provide Congress with a realistic assessment of its need for administrative funds and staffing. Virtually all Members of Congress assign a high priority to ensuring that their elderly and disabled constituents are well served by SSA, and this sentiment translates into strong Congressional support for SSA administrative appropriations. To elicit such support, however, SSA must provide Congress with a realistic assessment of its needs and, as a corollary, of the consequences of receiving less than the amounts it requests.

In recent years, SSA has declined to provide this information. During the Reagan Administration, SSA assured Congress that it could do more with less; and it requested, and received, more than a 20 percent reduction in its administrative staff. While the current Administration has halted this shrinkage and stabilized staffing levels, it has not requested the funds necessary to improve, or in some cases even maintain, SSA's service to the public. As a consequence, SSA workloads, waiting times, and processing times in key areas of its operations continue to deteriorate.

We are particularly concerned that the agency's most recent budget request assumes a sharp rise in its backlog of unprocessed disability claims during 1992 and continuing high busy rates on the 800 number. If SSA is to address these critical problems, it must be candid in revealing their existence to Congress. Equally important, it must be forthcoming in asking for the funds necessary to restore agency service to its traditional high levels.

Second, SSA must set benchmarks for evaluating its own service to the public. In the recent past, SSA's service goals have frequently been formulated in terms of its internal operations -- for example, the number of claims processed per month or the number of telephone calls answered per hour -- rather than in terms of the quality of service that it actually provides the

public. While SSA has recently moved away from these internal targets in many areas, it has not established its own definition of good public service. In order to formulate meaningful plans for the future and to justify its expenditures and budget requests, SSA must develop such performance benchmarks and measure its service against them regularly.

Third, SSA must refocus its resources on improving the quality of its initial disability determinations. There is no area of SSA's operation to which the phrase "penny wise and pound foolish" applies more aptly than to its disability decision-making. By wrongly denying large numbers of qualified disabled claimants and forcing them to pursue a lengthy appeal, SSA is both wasting agency resources and imposing enormous hardship on one of the most vulnerable groups of Americans.

SSA should begin to address this wasteful and unjust situation immediately by initiating a major reform of its disability determination procedures. To this end, SSA should: (1) focus a higher level of agency resources on obtaining adequate medical evidence of claimants' disabilities before making initial decisions; (2) provide initial face-to-face interviews with claimants; (3) revise its narrow and simplified instructions to disability examiners to better reflect the broader considerations that ALJs bring to bear in conducting appeal hearings.

Fourth, SSA must increase public access to its information and staff by implementing the statutory requirement that it reestablish telephone access to its local offices. SSA has justified its recent centralization of telephone service as a move toward increased efficiency. However, there is strong evidence that this system is actually transferring inefficiency from agency staff to the public. Specifically, by forcing all incoming calls through the bottleneck of a national 800 number, SSA is relieving its local office staff of the burden of answering telephones while greatly inconveniencing those individuals who need to transact business with them.

Last year, Congress responded to widespread public dissatisfaction with this arrangement by requiring SSA to: (1) restore public access to its local offices, and (2) relist their numbers in local telephone directories. While SSA is moving toward compliance with the second part of the statute, it has not replaced the local office telephone lines that are necessary to meet the requirement of restored public access. To relist numbers without restoring telephone lines is to play a cruel and cynical joke on the American public. We urge SSA take action immediately to provide the required public access.

APPENDIX

Results of the Survey of Members of Congress

In March, 1991, Dan Rostenkowski, Chairman of the Committee on Ways and Means, and Andy Jacobs, Jr., Chairman of the Subcommittee on Social Security, distributed a survey of Social Security casework to all Members of the House of Representatives. Members were asked to assess the quality of service currently being provided to their constituents by the Social Security Administration (SSA).

Members of Congress are in daily contact with their constituents through town hall meetings, neighborhood office hours and meetings with local community groups. In addition, Congressional offices located in each district provide assistance to constituents who are having problems with Federal agencies. For these reasons, Members of Congress are in a unique position to evaluate the manner in which SSA is delivering services to the public.

Two hundred and eighty-nine Members or 66 percent of those who were sent a survey participated. In addition to answering survey questions, many Members provided comments and anecdotes which illustrate clearly some of the problems SSA is having in delivering services to the public and how these problems are affecting their constituents.

Thirty-four percent of the casework pending in Congressional offices at the time of the survey was Social Security related. Over the past year, there has been an increase in Social Security casework for 67 percent of the offices responding to the survey. The size of the increase varied from office to office.

Respondents were asked how long on average their constituents who apply for disability benefits are waiting for an initial decision. Thirteen percent of the offices responding stated that their constituents are waiting two months, 38 percent said there is a three month wait, 19 percent indicated a four month wait and 27 percent stated that their constituents are waiting longer than four months. Thirty-six percent of those responding said that the wait for an initial disability decision was longer than it was a year ago.

Sixty-nine percent of the Congressional offices responding to the survey indicated that their constituents are waiting five months or more for an appeal hearing before an Administrative

Law Judge (ALJ). Forty-nine percent indicated that their constituents wait longer for an ALJ hearing than they did a year ago.

Thirty-four percent of the offices responding to the survey indicated they have received a large number of complaints about SSA's 800 number service, 41 percent of the offices have received a moderate number of complaints, 22 percent asserted that they have received a small amount. Busy signals were rated as an extremely serious problem by 39 percent of the offices responding, constituents receiving inaccurate information from teleservice operators was ranked as an extremely serious problem by 33 percent of those responding and SSA's failure to provide a promised callback was rated as an extremely serious problem by 19 percent of the offices responding.

Forty-six percent of those surveyed rated the SSA staff's knowledge of general benefit entitlement requirements as very good, 37 percent rated the staff as good, 10 percent as adequate, and one percent as poor or very poor. SSA staff's knowledge of the disability program was rated as very good by 46 percent of those responding, good by 35 percent, adequate by 13 percent and poor or very poor by 3 percent of those responding.

When asked if SSA staff is helpful and interested in helping Congressional staff resolve a case, 53 percent of the offices rate the staff as very good, 27 percent gave the staff a good rating, 14 percent rated the staff as adequate, and four percent rated them as poor or very poor. However, when Congressional offices were asked whether SSA staff has the time and resources to assist them adequately, 25 percent of the offices rated SSA as very good, thirty-five percent of those responding rated SSA good, 23 percent believe that SSA staff has adequate time and resources, and twelve percent rated SSA as poor or very poor in this category.

Twelve percent rated the courtesy of the telephone operators as very good, 28 percent gave the operators a good rating, 31 percent said that the courtesy is adequate and 10 percent rated the courtesy as poor or very poor. Eighteen percent responding to the survey did not answer this question.

When asked whether teleservice operators were providing accurate and complete information, eight percent rated operators as very good, 18 percent gave SSA a rating of good, 28 percent feel that SSA rates inadequate in providing accurate and complete information, 29 percent rated SSA as poor or very poor. Eighteen percent did not answer the question.

Member Survey on Social Security Casework

Casework

1. In general, approximately how many constituent cases (social security and non-social security) do you have now pending?

Average = 289

2. Of these, how many are social security related?

Average = 97 (34% of total caseload)

3. What is the composition of your social security caseload? Please rank from 1-4, with 1 being the greatest amount, how the following areas rate in terms of the number of cases you have now pending.

Disability	Retirement and Survivors	SSI	Medicare
1 - 67%	1 - 8%	1 - 8%	1 - 22%
2 - 20%	2 - 12%	2 - 39%	2 - 28%
3 - 7%	3 - 31%	3 - 24%	3 - 32%
4 - 4%	4 - 45%	4 - 26%	4 - 17%
N/A - 1%	N/A - 4%	N/A - 3%	N/A - 3%

4. Has your social security casework increased over the past year?

yes - 67% no - 30% N/A - 3%

5. By what percent?

a. 0-10% - 27% b. 11-20% - 29%

c. 21-30% - 14% d. greater than 30% - 5% e. N/A - 26%

6. What portion of your active social security casework involves a problem with SSA's accuracy in determining a benefit payment which resulted in an overpayment or underpayment of benefits?

a. 0-25% - 77% b. 26-50% - 19%

c. 51-75% - 2% d. 76-100% - 1% e. N/A - (*)

Disability

Over the past few years, the Subcommittee has received complaints about the accuracy of SSA disability decisions, the length of the appeals process, and the definition of disability itself. We would like to understand your view of the most serious problems in the disability program.

7. In general, how long on average are your constituents who apply for disability benefits waiting for an initial decision?

a. 2 months - 13% b. 3 months - 38%

c. 4 months - 19% d. longer - 27% e. N/A - 3%

8. How does this compare to a year ago?

a. same - 58% b. more - 36% c. less - 3% d. N/A - 4%

9. On average, how long do your constituents who have been denied disability benefits at the initial level and appeal the decision to an Administrative Law Judge wait for a hearing?

a. 90 days - 9% b. 120 days - 23%

c. 150 days - 25% d. longer - 42% e. N/A - 1%

10. How does this compare to a year ago?

a. same - 44% b. more - 49% c. less - 3% d. N/A - 4%

11. What portion of your disability caseload is initially denied by SSA, (and later granted benefits on appeal) because SSA failed initially to develop medical evidence of the claimant's disability?

a. 0-25% - 29% b. 26-50% - 31%

c. 51-75% - 22% d.76-100% - 12% e. N/A - 5%

12. How does this percentage compare to a year ago?

a. significantly higher - 3% b. moderately higher - 15%

c. about the same - 74% d. lower - 1% e. N/A - 7%

Teleservice

The Social Security Administration's 800-number has been operating nationwide since October 1, 1989. The Subcommittee has received numerous complaints about the quality of the service provided to those who use the 800-number. The following questions will assist the Subcommittee in determining the extent to which the initial problems associated with the 800-number continue to exist.

13. How would you categorize the number of complaints you are receiving about the 800-number service?

a. large - 34% b. moderate - 41%

c. small - 22% d. none - 2% e. N/A - 1%

14. Please indicate, by ranking each item from 1-4, how serious you believe each of the following problems to be, based on your constituents' complaints. (1 is extremely serious, and 4 is a minor problem.)

Busy signal	Inaccurate information	Failure to provide promised callback
1 - 39%	1 - 33%	1 - 19%
2 - 26%	2 - 32%	2 - 23%
3 - 17%	3 - 16%	3 - 26%
4 - 12%	4 - 10%	4 - 17%
N/A - 7%	N/A - 9%	N/A - 15%

Evaluation of Services Provided by SSA Staff

15. How would you rate SSA staff in the following areas:

a. knowledge of general benefit entitlement requirements

very good - 46% good - 37% adequate - 10%

poor - 1% very poor - (*) N/A - 3%

b. knowledge of disability program

very good - 46% good - 35% adequate - 13%

poor - 3% very poor - (*) N/A - 3%

c. helpfulness, interested in helping you resolve a case

very good - 53% good - 27% adequate - 14%

poor - 3% very poor - 1% N/A - 3%

d. has the time and resources to assist you adequately

very good - 25% good - 35% adequate - 23%

poor - 10% very poor - 2% N/A - 5%

e. courtesy of the teleservice operators

very good - 12% good - 28% adequate - 31%

poor - 8% very poor - 2% N/A - 18%

f. the teleservice operators provide accurate and complete information

very good - 8% good - 18% adequate - 28%

poor - 21% very poor - 8% N/A - 18%

* Indicates less than 1%.